



# Product Positioning

*Perception in the Customer's Mind*



# Product Positioning

- ◆ Well Recognized
  - ◆ Name, Reputation, and Function
- ◆ Continually Modified - Match the Customer
- ◆ Companies use:
  - ◆ Selling Strategies
  - ◆ Marketing
  - ◆ Promotion



# Achieving Product Differentiation

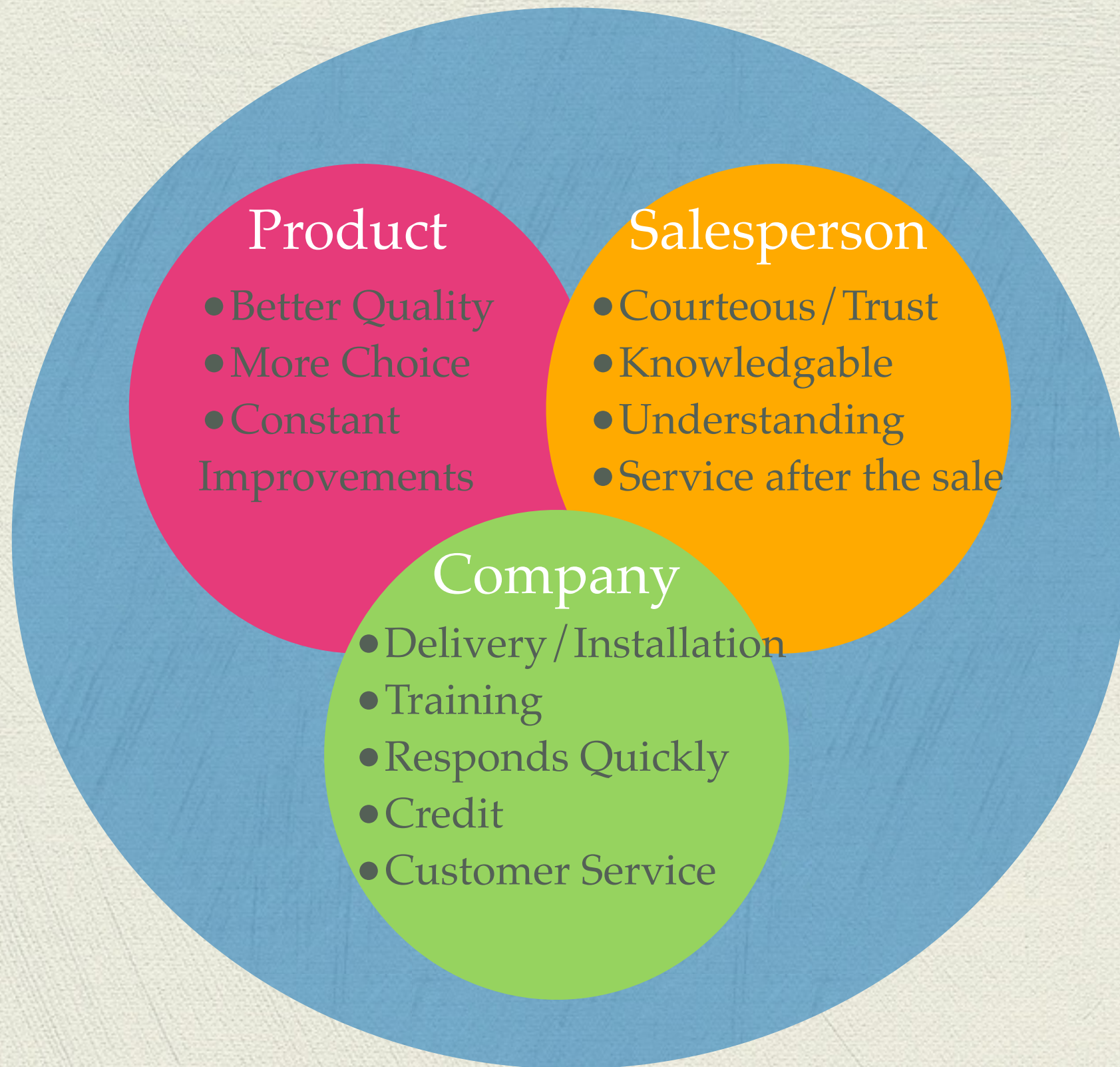
- ◆ Price
- ◆ Durability
- ◆ Quality
- ◆ Convenience
- ◆ Features
- ◆ Benefits
- ◆ Brand / Company



kindle fire iPad 2



# Expectations of Today's Customers





# Competitive Analysis

*Comparing your Product, Services and Company*



# Product Positioning Options

- ◆ Selling Products during the Product Life Cycle
- ◆ Pricing Strategies
- ◆ Value Added Strategies



# Product Life Cycle

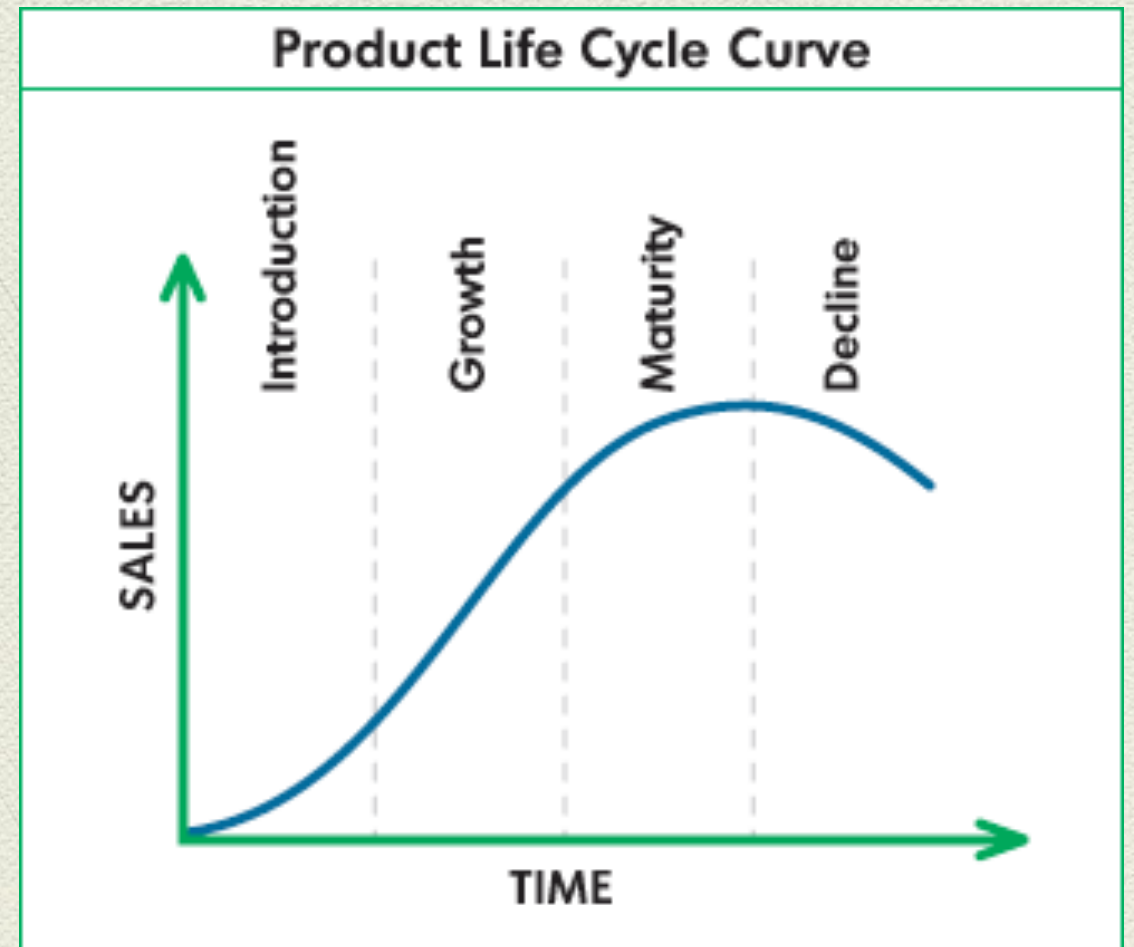
## **New/Emerging Products**

- Desire
- New Markets
- New Expectations
- Change Ways

VS.

## **Mature/Established Products**

- Brand Superiority
- Company Superiority
- Unique Features
- Existing Customers/Customer Service





# Price Strategy

- Quantity Discount
- Seasonal Discount
- Promotional Allowance
- Trade or Functional Discount

## Consequences of Low Price Tactics

- Quality Perception
- Lack of Service
- Service and Brand

*In Store or Online Tactics*

Target advertisement for a 3-day sale. The ad features a smiling woman with curly hair, a coffee maker, a waffle maker, a TV, a camera, and a laptop. The text includes "MORE. PAY LESS.", "\$25", "5%", "3 days only", "almost last minute sale", "free 100", "\$19", "89.99", "169.99", and "Thursday - Saturday in Stores and at Target.com".





# Value Added Strategy



# Value Added Strategies

- ◆ More Knowledgeable Staff
- ◆ Increase Customer Service
- ◆ Dependable Arrangements
- ◆ Service after the Sale
- ◆ Product Configuration
- ◆ Product Differentiation





**Where to add Value?**



# Generic Product



❖ Product Category

❖ Functions / Benefits are  
the same as all others



# Expected Product



- ❖ Minimal Expectations
- ❖ Sales - Only if expectations are met, limited loyalty opportunities to keep the customer



# Value Added Product



- ◆ Offer more than expected
- ◆ Builds Loyalty
- ◆ Customer Service



# Potential Product



- ◆ What could be?
- ◆ Built from Relationships
- ◆ Discovered with Customers